

MOR-1

## UNITED STATES BANKRUPTCY COURT

CASE NAME: Inland Environmental & Remediation, Inc.  
CASE NUMBER: 16-34624-HA-11

PETITION DATE: 9/14/2016  
DISTRICT OF TEXAS: Southern and Western Districts  
DIVISION: Houston

MONTHLY OPERATING REPORT SUMMARY FOR MONTH December YEAR 2016

MONTH	September	October	November	December		
REVENUES (MOR-6)	18,746.97	0.00	0.00	0.00	0.00	0.00
INCOME BEFORE INT. DEPRECIATION TAX (MOR-6)	18,746.97	0.00	0.00	0.00	0.00	0.00
NET INCOME (LOSS) (MOR-6)	18,746.97	0.00	0.00	0.00	0.00	0.00
PAYMENTS TO INSIDERS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	5,000.00	0.00	0.00
TOTAL DISBURSEMENTS (MOR-8)	21,718.88	325.00	0.00	5,000.00	0.00	0.00

\*\*\*The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

REQUIRED INSURANCE MAINTAINED		EXP. DATE
AS OF SIGNATURE DATE		
CASUALTY	YES (X) NO ( )	3/22/2017
LIABILITY	YES (X) NO ( )	3/22/2017
VEHICLE	YES (X) NO ( )	3/22/2017
WORKERS	YES (X) NO ( )	8/19/2017
OTHER	YES ( ) NO ( )	- - -

Are all accounts receivable being collected within terms? ☐ No  
Are all post-petition liabilities, including taxes, being paid within terms? ☐ Yes  
Have any pre-petition liabilities been paid? ☐ No  
If so, describe \_\_\_\_\_  
Are all funds received being deposited into DIP bank accounts? ☐ Yes  
Were any assets disposed of outside the normal course of business? ☐ No  
If so, describe \_\_\_\_\_  
Are all U.S. Trustee Quarterly Fee Payments current? ☐ Yes  
What is the status of your Plan of Reorganization? \_\_\_\_\_

ATTORNEY NAME: Richard Fuqua  
FIRM NAME: Fuqua and Associates  
ADDRESS: 5005 Riverway, Suite 250

CITY, STATE, ZIP: Houston, TX 77056  
TELEPHONE/FAX: 713-960-0277

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I certify under penalty of perjury that the following complete  
Monthly Operating Report (MOR), consisting of MOR-1 through  
MOR-9 plus attachments, is true and correct.

SIGNED X David Polston TITLE: President, CEO  
(PRINT NAME OF SIGNATORY) 2-3-17  
DATE

CASE NAME: Inland Environmental & Remediation, Inc.  
CASE NUMBER: 16-34624-H4-11

## COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	9/14/2016	9/30/2016	10/31/2016	11/30/2016	12/31/2016			
CURRENT ASSETS								
Cash	2,701.91	0.00	0.00	28,048.02	23,048.02			
Accounts Receivable, Net	405,204.30	457,131.46	331,941.31	186,194.65	186,194.65			
Inventory: Lower of Cost or Market	112,000.00	112,000.00	112,000.00	112,000.00	112,000.00			
Prepaid Expenses								
Investments								
Other								
TOTAL CURRENT ASSETS	519,906.21	569,131.46	443,941.31	326,242.67	321,242.67		0.00	0.00
PROPERTY, PLANT & EQUIP. @ COST	1,546,256.00	1,546,256.00	1,546,256.00	1,546,256.00	1,546,256.00			
Less Accumulated Depreciation								
NET BOOK VALUE OF PP & E	1,546,256.00	1,546,256.00	1,546,256.00	1,546,256.00	1,546,256.00		0.00	0.00
OTHER ASSETS								
1. Tax Deposits								
2. Investments in Subsidiaries								
3. Leasehold Improvements	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00			
4. See Below*	2.00		2.00		2.00			
TOTAL ASSETS	\$3,066,164.21	\$3,115,387.46	\$2,990,199.31	\$2,872,498.67	\$2,867,500.67		\$0.00	\$0.00

\* Per Schedules and Statement of Affairs

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CASE NAME: Inland Environmental & Remediation, Inc.  
CASE NUMBER: 16-34624-H4-11

### COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH September	MONTH October	MONTH November	MONTH December	MONTH	MONTH
LIABILITIES							
POST-PETITION LIABILITIES(MOR-4)							
PRE-PETITION LIABILITIES							
Notes Payable - Secured	3,024,236.07	3,024,236.07	3,024,236.07	3,024,236.07	3,024,236.07		
Priority Debt	1,414,374.98	1,414,374.98	1,414,374.98	1,414,374.98	1,409,374.98		
Federal Income Tax	7,007.66	7,007.66	7,007.66	7,007.66	7,007.66		
FICA/Withholding							
Unsecured Debt	8,449,269.44	8,449,269.44	8,449,269.44	8,449,269.44	8,449,269.44		
Other							
TOTAL PRE-PETITION LIABILITIES						0.00	0.00
TOTAL LIABILITIES	9,870,652.08	9,870,652.08	9,870,652.08	9,870,652.08	9,865,652.08	0.00	0.00
OWNER'S EQUITY (DEFICIT)							
PREFERRED STOCK							
COMMON STOCK							
ADDITIONAL PAID-IN CAPITAL	67,154.87	67,154.87	67,154.87	67,154.87	67,154.87		
RETAINED EARNINGS, Filing Date							
RETAINED EARNINGS, Post Filing Date							
TOTAL OWNER'S EQUITY (NET WORTH)	(\$6,804,487.87)	(\$6,755,264.62)	(\$6,880,452.77)	(\$6,998,153.41)	-6,998,153.41	0.00	0.00
TOTAL							
LIABILITIES & OWNER'S EQUITY	\$3,066,164.21	\$3,115,387.46	\$2,990,199.31	\$2,872,498.67	\$2,867,498.67	\$0.00	\$0.00

\* Per Schedules and Statement of Affairs

MOR-3

CASE NAME: Inland Environmental & Remediation, Inc.  
CASE NUMBER: 16-34624-H4-11

### SCHEDULE OF POST-PETITION LIABILITIES

	MONTH Sept	MONTH Oct	MONTH Nov	MONTH Dec	MONTH	MONTH
<b>TRADE ACCOUNTS PAYABLE</b>						
<b>TAX PAYABLE</b>						
Federal Payroll Taxes	0.00	0.00	0.00	0.00		
State Payroll Taxes	0.00	0.00	0.00	0.00		
Ad Valorem Taxes	0.00	0.00	0.00	0.00		
Other Taxes	0.00	0.00	0.00	0.00		
<b>TOTAL TAXES PAYABLE</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>SECURED DEBT POST-PETITION</b>	0.00	0.00	0.00	0.00		
<b>ACCRUED INTEREST PAYABLE</b>	0.00	0.00	0.00	0.00		
<b>ACCRUED PROFESSIONAL FEES*</b>	0.00	0.00	0.00	0.00		
<b>OTHER ACCRUED LIABILITIES</b>						
1.	0.00	0.00	0.00	0.00		
2.	0.00	0.00	0.00	0.00		
3.	0.00	0.00	0.00	0.00		
<b>TOTAL POST-PETITION LIABILITIES (MOR-3)</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

\*Payment requires Court Approval

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CASE NAME: Inland Environmental & Remediation, Inc.  
CASE NUMBER: 16-34624-H4-11

AGING OF POST-PETITION LIABILITIES  
MONTH December

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	MONTH
0-30						
31-60	0.00					
61-90	0.00					
91+	0.00					
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF ACCOUNTS RECEIVABLE

MONTH						
0-30 DAYS	0.00					
31-60 DAYS						
61-90 DAYS						
91+ DAYS						
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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CASE NAME: Inland Environmental & Remediation, Inc.  
CASE NUMBER: 16-34624-H4-11

CASH RECEIPTS AND DISBURSEMENTS		MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO
		Sept	Oct	Nov	Dec				DATE
1. CASH-BEGINNING OF MONTH		\$2,971.91	\$2,602.90	\$2,277.90	\$29,928.80	\$24,928.80	\$24,928.80	\$24,928.80	\$2,971.91
RECEIPTS:									
2. CASH SALES									0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE		18,746.97	125,190.15	0.00					143,937.12
4. LOANS & ADVANCES (attach list)									0.00
5. SALE OF ASSETS									0.00
6. OTHER (attach list) - Workers comp deposit refund				27,650.90					27,650.90
TOTAL RECEIPTS**		21,718.88	0.00	27,650.90	0.00	0.00	0.00	0.00	171,588.02
*(Withdrawal) Contribution by Individual Debtor MFR-3*									
DISBURSEMENTS:									
7. NET PAYROLL									0.00
8. PAYROLL TAXES PAID									0.00
9. SALES, USE & OTHER TAXES PAID									0.00
10. SECURED RENTAL/LEASES									0.00
11. UTILITIES & TELEPHONE									0.00
12. INSURANCE									0.00
13. INVENTORY PURCHASES	Interim Interest								0.00
14. VEHICLE EXPENSES									0.00
15. TRAVEL & ENTERTAINMENT									0.00
16. REPAIRS, MAINTENANCE & SUPPLIES									0.00
17. ADMINISTRATIVE & SELLING									0.00
18. OTHER (attach list)									0.00
TOTAL DISBURSEMENTS FROM OPERATIONS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19. PROFESSIONAL FEES									5,000.00
20. U.S. TRUSTEE FEES			325.00	0.00					325.00
21. OTHER REORGANIZATION EXPENSES (attach list)									0.00
TOTAL DISBURSEMENTS**		21,718.88	325.00	0.00	5,000.00	0.00	0.00	0.00	5,325.00
22. NET CASH FLOW		0.00	2,277.90	27,650.90	-5,000.00	0.00	0.00	0.00	166,263.02
23. CASH - END OF MONTH (MOR-2)		\$0.00	\$2,277.90	\$29,928.80	\$24,928.80	\$24,928.80	\$24,928.80	\$24,928.80	\$169,234.93

\* Applies to Individual debtors only.

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\*\*Numbers for the current month should balance (attach)

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

CASE NAME: Inland Environmental & Remediation, Inc.  
CASE NUMBER: 16-34624-H4-11

**CASH ACCOUNT RECONCILIATION**  
MONTH OF December

BANK NAME	Capital One	Capital One	#	Capital One	
ACCOUNT NUMBER	#3820671596	#3820101757		#3820264249	
ACCOUNT TYPE	OPERATING	PAYROLL	TAX	OTHER FUNDS	TOTAL
BANK BALANCE	0.00	0.00		0.00	\$0.00
DEPOSITS IN TRANSIT	0.00	0.00		0.00	\$0.00
OUTSTANDING CHECKS	0.00	0.00		0.00	\$0.00
ADJUSTED BANK BALANCE	\$0.00	0.00	\$0.00	\$0.00	\$0.00
BEGINNING CASH - PER BOOKS	0.00	0.00		0.00	\$0.00
RECEIPTS*	0.00	0.00		0.00	\$0.00
TRANSFERS BETWEEN ACCOUNTS	0.00	0.00		0.00	\$0.00
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2	0.00			0.00	\$0.00
CHECKS/OTHER DISBURSEMENTS*	0.00	0.00		0.00	\$0.00
ENDING CASH - PER BOOKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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\*Numbers should balance (match) TOTAL RECEIPTS and  
TOTAL DISBURSEMENTS lines on MOR-7



CASE NAME: Inland Environmental & Remediation, Inc.  
CASE NUMBER: 16-34624-H4-11

# CASH ACCOUNT RECONCILIATION MONTH OF December

BANK NAME	Capital One	Capital One	#			
ACCOUNT NUMBER	#3023937483	#3023937491				
ACCOUNT TYPE	OPERATING	PAYROLL	TAX	OTHER FUNDS	TOTAL	
BANK BALANCE	22,650.90	0.00	0.00	0.00	\$22,650.90	
DEPOSITS IN TRANSIT	0.00	0.00	0.00	0.00	\$0.00	
OUTSTANDING CHECKS	0.00	0.00	0.00	0.00	\$0.00	
ADJUSTED BANK BALANCE	\$22,650.90	0.00	\$0.00	\$0.00	\$22,650.90	
BEGINNING CASH - PER BOOKS	27,650.90	0.00	0.00	0.00	\$27,650.90	
RECEIPTS*	0.00	0.00	0.00	0.00	\$0.00	
TRANSFERS BETWEEN ACCOUNTS	0.00	0.00	0.00	0.00	\$0.00	
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBITOR MFR-2	0.00	0.00	0.00	0.00	\$0.00	
CHECKS/OTHER DISBURSEMENTS*	5,000.00	0.00	0.00	0.00	\$5,000.00	
ENDING CASH - PER BOOKS	\$22,650.90	\$0.00	\$0.00	\$0.00	\$22,650.90	

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\*Numbers should balance (match) TOTAL RECEIPTS and  
TOTAL DISBURSEMENTS lines on MOR-7

CASE NAME: Inland Environmental & Remediation, Inc.  
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### PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1. None	Sept	Oct	Nov	Dec		
2.	0.00	0.00	0.00			
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1. None	Sept	Oct	Nov	Dec		
2. Fisher and Associates - Attorney	0.00	0.00	0.00	5,000.00		
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$0.00

MOR-9